

The Ophir Dredging Company built a dredge on their claim near Black's, which has been at work for about nine months, it is believed with varying success, though, owing to its being a private company, the actual results are not known.

Very little is being done by alluvial miners, a few of whom are employed at German Gully and German Hill, both of which places are believed to be payable if a sufficient supply of water could be obtained to work the ground.

In conclusion, I may say that the revenue has kept fairly well up, and the volume of business transacted in the various Courts in my district shows no falling-off:—Wardens' Courts: Number of complaints, 45; general applications, 301; applications opposed, 43; applications for licensed holdings, 3; total area of licensed holdings, 55 acres; applications for special claims, 10; total area of special claims, 696 acres; number of miners' rights issued, 270; number of water-race licenses, 283; number of general registrations, 431. Amount of revenue collected, £1,059 2s. 8d.; deposits for surveys, £244 1s. 3d.

I have, &c.,

S. MEAD DALGLEISH, Warden.

The Under-Secretary, Mines Department, Wellington.

No. 11.

Mr. Warden MCCARTHY to the UNDER-SECRETARY for MINES, Wellington.

SIR,—

Warden's Office, Clyde, 20th May, 1899.

I have the honour to enclose herewith the annual statistical returns, and to submit the following report on mining matters in the Dunstan-Wakatipu subdivision of the Otago Mining District for the period ending the 31st March last.

I do not propose to enter into details with respect either to particular claims or localities. That is always much better left to the Inspectors of Mines, who have the necessary technical experience, and are able to gather their information from actual observation. There are, however, certain salient features appertaining to each distinct class of mining which may prove of general interest.

HYDRAULIC SLUICING.

There is nothing new to report in this branch of the industry. It does not appear either to attract to any considerable extent the energies of the individual miner, or to impress the imagination of mining speculators. The season has been a fair one in so far as water is concerned, but there have been no phenomenal workings-up, and I question whether the returns are up to the average of even comparatively recent years. The position, therefore, has to be faced, that ground suitable for hydraulic sluicing is becoming year by year more difficult to discover, and this fact, together with the comparatively dry seasons so characteristic of Central Otago, makes the yield of dividends increasingly problematical. It is, in fact, in many cases quite an open question whether, with the Otago Central Railway almost knocking at our very doors, water now devoted to sluicing would not be more profitably employed if used for irrigation. The only ventures likely to be profitable are those possessing large and permanent water-supplies, which, of course, presupposes the command of capital.

QUARTZ-REEFING.

There is no forward movement to chronicle in this direction. A few small parties are working at Upper Waikaia, the Old Man, and the Carrick Ranges. From what can be learned, they have had payable, though not phenomenal, returns. The Cromwell Mine at Bendigo is now being worked by tributers with varying success; whilst at Macetown, the Tipperary Mine, the property of the Westralia and New Zealand Gold Explorers' Company (Limited), an English corporation, has been closed down, and the manager, Walter J. Stanford, removed by his directors to London, with a view to a consultation as to further developments. Work on the Premier Mine at the same place is being prosecuted, but the returns are small, and I question if they much more than cover working-expenses. The Bullendale Mine, at Skippers, is not just now yielding any gold, but, under a new arrangement, is being further exploited.

DREDGING.

This method of mining has become the fashion of the hour. In the district under my care there are fifty dredges, the capital cost of which cannot have been less than £250,000, and nearly all of these are in active work, of which a goodly proportion are dividend-paying. Before the close of the next financial year I hope to be able to report the construction of ten additional dredges, at a cost of at least £50,000. Most of the Molyneux River, from the Tallaburn to Cromwell, as well as considerable stretches of the Manuherikia, the Kawarau, and Clutha Rivers, are under application, and the attention of investors is now being directed to the Nevis, Lindis, Dart, and Cardrona Rivers and adjoining flats. Whilst not wishing to disparage the three former fields, I cannot help saying that the latter is well worthy of a trial. Gold has been found in the ranges, the terraces, and gullies, on both sides, and tunnels have in one or two places been driven underneath the stream, the bed of which seems to be good dredging-ground. The result of these latter operations was eminently satisfactory. In one part of the valley, about fifteen miles distant from its head, payable wash has, I hear, been struck at a depth of 25 ft. In passing, I may state there are, at the present time, 192 applications awaiting the preliminary hearing, of which no less than seventy-five are set down for hearing at the next Cromwell Court.

I now feel it my duty to sound a note of warning. Most of the ground capable of being dredged by known methods is already under application; and whilst there is no doubt that, as in the past so in the future, the evolution of the dredge will steadily proceed, yet investors must